

**Division of Ratepayers Advocates
California Water Utility Cost of Capital Report
Recommend Return on Equity and Rate of Return**

**Park Water Company/Apple Valley Ranchos Water Company
2013-2015**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Long-Term Debt	47.05%	8.12%	3.82%
Common Equity	52.95%	8.75%	4.63%
Rate of Return	100.00%		8.45%

**San Gabriel Valley Water Company
2013-2015**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Long-Term Debt	44.37%	6.26%	2.78%
Common Equity	55.63%	8.75%	4.87%
Rate of Return	100.00%		7.65%

**Suburban Water Systems
2013-2015**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Long-Term Debt	44.35%	7.05%	3.13%
Preferred Stock	1.52%	4.24%	0.06%
Common Equity	54.13%	8.50%	4.60%
Rate of Return	100.00%		7.79%

**Great Oaks Water Company
2013-2015**

Capital Source	Capitalization Ratio	Cost Rate	Weighted Cost Rate
Long-Term Debt	30.00%	7.14%	2.14%
Common Equity	70.00%	9.00%	6.30%
Rate of Return	100.00%		8.44%